

SENATE No. 468

The Commonwealth of Massachusetts

PRESENTED BY:

Benjamin B. Downing

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the passage of the accompanying bill:

An Act relative to credit union shares and deposits.

PETITION OF:

NAME:

Benjamin B. Downing

DISTRICT/ADDRESS:

Berkshire, Hampshire and Franklin

The Commonwealth of Massachusetts

In the Year Two Thousand and Nine

AN ACT RELATIVE TO CREDIT UNION SHARES AND DEPOSITS.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

SECTION 1. Chapter 171 of the General Laws, as appearing in the 2006 Official Edition, is hereby amended by striking out section 30 and inserting in place thereof the following section: —

Section 30. Every member of a credit union shall hold 1 share and may hold shares or make deposits, or both, therein, in his own name and he may jointly, with one or more persons, hold shares or make deposits, or both. An organizational member may purchase shares or make deposits; provided, however, that the total of such payments by all organizational members shall not exceed, at any time, twenty-five percent of the assets of the credit union.

The provisions of this section shall apply to all members of credit unions which are insured by the National Credit Union Administration; provided, however, that no such credit union shall accept deposits or payments for shares for the account of a shareholder or depositor in excess of the amount which is insured by said administration unless the excess is insured by the Massachusetts Credit Union Share Insurance Corporation pursuant to section six D of chapter two hundred and ninety-four of the Acts of nineteen hundred and sixty-one.

SECTION 2. Section 32 of said chapter 171, as so appearing, is hereby amended by striking out the first paragraph and inserting in its place the following paragraph: -

16 Section 32. Any of the shares or deposits authorized by section thirty may, if the directors of the
17 credit union so determine, be received as term shares or deposits, subject to the provisions of this section.

18 SECTION 3. Chapter 171 is hereby further amended by striking out section 33, as so appearing, and
19 inserting in place thereof the following section: -

20 Section 33. A credit union may also contract, on terms to be agreed upon, with a person eligible
21 for membership in the credit union or a member of such person's family, for the deposit at intervals within
22 a period of twelve months, of sums of money, to be known as club deposits and may pay interest or
23 dividends thereon in the amount decided by its board of directors, but at no higher rate than that paid on
24 its regular deposits or as regular dividends on shares.

25 SECTION 4. Section 34 of chapter 171, as so appearing, is hereby amended by striking out the first
26 paragraph and inserting in place thereof the following paragraph: —

27 Section 34. Any of the shares or deposits authorized by section thirty except club deposits, if the
28 directors so determine, and if the share and deposit liabilities are insured in full under federal or state law,
29 or both, may be received as special notice accounts subject to the provisions of this section.